

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE EMPLOYEES RETIREMENT SYSTEM OF
THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO,

Debtor.

PROMESA

Title III

No. 17 CV 1685 (LTS)

No. 17 BK 3566 (LTS)

**SECOND SUPPLEMENTAL VERIFIED STATEMENT OF THE ERS SECURED
CREDITORS PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), certain beneficial holders as identified on Exhibit A hereto (collectively, the “ERS Secured Creditors”) hereby submit this verified statement (this “Verified Statement”), and in support hereof state as follows:

1. In May 2015, certain of the ERS Secured Creditors or the investment advisors or managers on behalf of the ERS Secured Creditors retained Jones Day to represent them as counsel in connection with a potential restructuring of the secured bonds (the “ERS Bonds”) issued by the Employees Retirement System Of The Government Of The Commonwealth Of Puerto Rico (the “ERS”).

2. As of the date of this Verified Statement, Jones Day represents (as that term is defined in Bankruptcy Rule 2019(a)(2)) the ERS Secured Creditors in their capacities as beneficial holders of ERS Bonds. Jones Day does not represent the ERS Secured Creditors in

their capacities as beneficial holders of any bonds issued or guaranteed by the Commonwealth (“Constitutional Debt”).

3. Other than the parties described in this Verified Statement and the *Verified Statement of the PRASA Secured Creditors*, Jones Day does not represent or purport to represent any other entities in connection with the ERS or Commonwealth Title III cases. Jones Day does not represent the ERS Secured Creditors as a “committee” (as such term is used in the Bankruptcy Code and Bankruptcy Rules) and does not undertake to represent the interests of, and is not a fiduciary for, any creditor, party in interest, or other entity. In addition, the ERS Secured Creditors do not represent or purport to represent any other entities in connection with the ERS or Commonwealth Title III cases.

4. Upon information and belief formed after due inquiry, neither Jones Day nor any of the ERS Secured Creditors holds any disclosable economic interests (as that term is defined in Bankruptcy Rule 2019(a)(1)) in relation to the ERS or Commonwealth other than (a) the ERS Bonds and related claims arising from the ERS Bond Resolution or the ERS Secured Creditors’ ownership of the ERS Bonds, and (b) the Constitutional Debt and related claims arising from such debt instruments or related documents or the ERS Secured Creditors’ ownership of such debt.

5. The names and addresses of each of the ERS Secured Creditors, together with the nature and amount of each disclosable economic interest held by each of them¹ in relation to the ERS and the Commonwealth, are set forth in **Exhibit A** attached hereto. The information set forth in **Exhibit A** is based on information provided to Jones Day by the ERS Secured Creditors

¹ For the avoidance of doubt, the information set forth on Exhibit A relates solely to the ERS Secured Creditors and not any affiliated entities.

and is intended only to comply with Bankruptcy Rule 2019 and not provided for any other purpose.

6. Nothing contained in this Verified Statement is intended or shall be construed (a) to constitute consent to the jurisdiction of the Court over any matter, (b) as an admission with respect to any fact or legal theory, (c) as an acknowledgment that any Title III case was appropriately or lawfully commenced, or (d) as a waiver or release of any rights, claims, actions, or defenses to which the ERS Secured Creditors are or may be entitled, in law or in equity, under any agreement, any constitution or otherwise, with all such rights, claims, actions, and defenses being expressly reserved.

7. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

8. The ERS Secured Creditors, through their undersigned counsel, reserve the right to amend or supplement this Verified Statement in accordance with the requirements of Bankruptcy Rule 2019 at any time in the future.

August 6, 2018

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Counsel for the ERS Secured Creditors

EXHIBIT A

Each of the ERS Secured Creditors are plaintiffs in a certain adversary case, styled *Altair Global Credit Opportunities Fund (A), LLC, et al. v. Commonwealth of P.R., et al.*, Adv. Proc. Nos. 17-219 and 17-220, which asserts certain causes of action against the ERS and the Commonwealth. In addition, each of the ERS Secured Creditors has filed proofs of claim and requests for administrative expense treatment with respect to the ERS and Commonwealth on account of amounts owed to the ERS Secured Creditors from the ownership of the ERS Bonds and related claims and causes of action.

The amounts set forth on the following table (a) with respect to Constitutional Debt, reflect only outstanding principal amounts, and (b) with respect to ERS Bonds, reflect only outstanding principal for term bonds or approximate accreted values through the date hereof for capital appreciation bonds and, in each case, do not include any other amounts that may be owing under or in connection with the Constitutional Debt, the ERS Bonds or applicable law.

| <u>Name and Address</u> | <u>Disclosable Economic Interests</u> |
|--|---|
| Altair Global Credit Opportunities Fund (A), LLC 1888 Century Park East, Los Angeles, CA 90067-1702 | \$764,000 ERS Bonds \$1,890,000 Constitutional Debt ¹ |
| Andalusian Global Designated Activity Company 70 Sir John Rogerson's Quay, Dublin 2, Ireland | \$195,970,000 ERS Bonds \$0 Constitutional Debt ² |
| Glendon Opportunities Fund, L.P. Ugland House, South Church Street, Grand Cayman, Cayman Islands, KY1-1104 | \$4,000,000 ERS Bonds \$0 Constitutional Debt ³ |
| Mason Capital Master Fund, LP PO Box 309, Ugland House, George Town KY1-1104 | \$242,509,830 ERS Bonds \$438,849,000 Constitutional Debt ⁴ |

¹ \$1,890,000 Constitutional Debt as of First Supplemental 2019 Statement and \$1,890,000 Constitutional Debt as of the Initial 2019 Statement.

² \$50,000,000 Constitutional Debt as of First Supplemental 2019 Statement and \$75,000,000 Constitutional Debt as of the Initial 2019 Statement.

³ \$0 Constitutional Debt as of First Supplemental 2019 Statement and \$0 Constitutional Debt as of the Initial 2019 Statement.

⁴ \$401,189,000 Constitutional Debt as of First Supplemental 2019 Statement and \$87,980,000 Constitutional Debt as of the Initial 2019 Statement. Mason Capital has also filed proofs of claim with respect to the Commonwealth on account of amounts owing under or in connection with Constitutional Debt and ownership of bonds in a non-Title III debtor and related claims and causes of action.

| <u>Name and Address</u> | <u>Disclosable Economic Interests</u> |
|--|---|
| Nokota Capital Master Fund, L.P. 1330 Avenue of the Americas, 26th Floor New York, NY 10019 | \$85,330,000 ERS Bonds \$30,005,000 Constitutional Debt ⁵ |
| Oaktree Value Opportunities Fund Holdings, L.P. Oaktree Opportunities Fund IX Delaware, L.P. Oaktree Opportunities Fund IX (Parallel 2), L.P. Opps Culebra Holdings, L.P. Oaktree Opportunities Fund X Holdings (Delaware), L.P. Oaktree Opps X Holdo Ltd. Oaktree-Forrest Multi-Strategy, LLC (Series B) 333 South Grand Avenue, 28th Floor, Los Angeles, CA 90071 | \$382,003,768 ERS Bonds \$0 Constitutional Debt ⁶ |
| Ocher Rose, L.L.C. P.O. Box 1226, New York, NY 10150 | \$205,800,000 ERS Bonds \$0 Constitutional Debt ⁷ |
| SV Credit, L.P. 1209 Orange Street, Wilmington, New Castle County, Delaware 19801 | \$203,722,952 ERS Bonds \$0 Constitutional Debt ⁸ |

⁵ \$30,005,000 Constitutional Debt as of First Supplemental 2019 Statement and \$69,100,000 Constitutional Debt as of the Initial 2019 Statement. Nokota Capital has also filed proofs of claim with respect to the Commonwealth on account of amounts owing under or in connection with Constitutional Debt and related claims and causes of action.

⁶ \$110,255,000 Constitutional Debt as of First Supplemental 2019 Statement and \$0 Constitutional Debt as of the Initial 2019 Statement.

⁷ \$0 Constitutional Debt as of First Supplemental 2019 Statement and \$0 Constitutional Debt as of the Initial 2019 Statement.

⁸ \$0 Constitutional Debt as of First Supplemental 2019 Statement and \$0 Constitutional Debt as of the Initial 2019 Statement.